

## Message Text

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ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 CAB-02 CIAE-00 COME-00  
DODE-00 DOTE-00 INR-10 NSAE-00 FAA-00 L-03 SS-15  
NSCE-00 SSO-00 INRE-00 /051 W  
-----040148 241909Z /43/72

O R 221648Z JUN 78  
FM AMEMBASSY PARIS  
TO SECSTATE WASHDC IMMEDIATE 3702  
INFO AMEMBASSY LONDON  
AMEMBASSY BONN

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(CORRECTED COPY--LONDON DROPPED AS INFO ADDRESSEE ON ORIGINAL  
TRANSMISSION)

E.O. 11652: N/A  
TAGS: EAIR, FR  
SUBJECT: PANAM CHANGE OF GUAGE

REF: STATE 158610 AND 158067

1. SUMMARY: WE HAVE DISCUSSED REFTEL ISSUES GENERALLY  
WITH FROMENT-MEURICE AND SUBSEQUENTLY AND SPECIFICALLY  
WITH CLAUDE-LAFONTAINE AT QUAI D'ORSAY. LATTER CLAIMED  
THERE WAS A MISUNDERSTANDING BY FRENCH AUTHORITIES OF  
THE KEY DATE IN THE U.S. PROPOSAL MADE BOTH IN PARIS  
AND WASHINGTON ON JUNE 16. SHE PROMISED A QUICK RECONSI-  
DERATION OF THE SITUATION BY THE FRENCH AUTHORITIES IN  
THE LIGHT OF OUR PRESENTATION EVEN THOUGH SHE CLEARLY  
COULD MAKE NO COMMITMENT RE THE OUTCOME. FROMENT-MAURICE  
NOTED THAT THE QUAI WANTS TO FIND A SETTLEMENT WHICH IS  
DIFFICULT BECAUSE OF STRONG FEELINGS IN PARIS ABOUT AVI-  
ATION RELATIONS BETWEEN THE TWO COUNTRIES, ESPECIALLY  
THE PANAM SITUATION.

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2. TO REDUCE RISK OF MISUNDERSTANDING WE RECOMMEND THAT  
FURTHER U.S. VIEWS OR PROPOSALS IN THE PANAM CASE BE  
GIVEN THE FRENCH IN WRITING. END SUMMARY

3. WITH DE SEDOUY, THE RESPONSIBLE SENIOR OFFICER, OUT  
OF THE COUNTRY, MINECON APPROACHED FROMENT-MEURICE,

DIRECTOR OF ECONOMIC AFFAIRS AT THE FOREIGN MINISTRY, THE MORNING OF JUNE 22. (WE WERE ABLE TO TALK WITH HIM ONLY BRIEFLY AS HE WAS PREPARING TO OPEN A MULTILATERAL MEETING OF WHICH HE IS CHAIRMAN.) WE INDICATED THAT WE WERE PLEASED THAT FRANCE APPEARS NOW PREPARED TO PROCEED WITH ARBITRATION. HOWEVER, WE HAD ORIGINALLY MADE OUR PROPOSAL FOR ARBITRATION IN EARLY MAY. MEANWHILE, PANAM IS NOT ALLOWED TO FLY AT THE HEIGHT OF THE SEASON AND, UNDER THE LATEST FRENCH COUNTERPROPOSAL, COULD NOT HOPE TO FLY BEFORE SOMETIME IN AUGUST EVEN THOUGH AIR FRANCE FLIGHTS FROM THE WEST COAST ARE STILL UNINTERRUPTED. WE POINTED OUT THAT FRENCH PROPOSAL AMOUNTS TO ASKING US TO LIFT THE PART 213 ACTION PRIOR TO PANAM'S BEING ALLOWED TO BEGIN ITS PARIS OPERATIONS. WE DID NOT SEE HOW THIS COULD BE ACCEPTABLE IN WASHINGTON.

4. FROMENT-MEURICE TOOK NOTE OF OUR COMMENTS AND OF THE FACT THAT THE EMBASSY WOULD PASS THE DETAILS TO QUAI AVIATION SPECIALIST CLAUDE-LAFONTAINE. FROMENT-MEURICE SAID HE WOULD LOOK INTO THE MATTER FURTHER. MEANWHILE HE HOPED THAT WASHINGTON WOULD BEAR IN MIND THE FACT THAT THE QUAI D'ORSAY HAS BEEN DOING ITS BEST TO FIND A COMPROMISE. WASHINGTON, HE SAID, SHOULD ALSO BEAR IN MIND THAT THERE IS STRONG FEELING IN PARIS REGARDING US-FRENCH CIVIL AVIATION RELATIONS GENERALLY AND THE LIMITED OFFICIAL USE

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PANAM CASE IN PARTICULAR.

5. CIVIL AIR ATTACHE MET AT NOON THE SAME DAY WITH CLAUDE-LAFONTAINE AND REVIEWED IN DETAIL THE PROPOSAL WE MADE IN PARIS AND WASHINGTON ON JUNE 16 PER STATE 152847, AS WELL AS THE POINTS IN PARA 3 OF STATE 158610. SHE AND HER DEPUTY (PHILLIPPE SELZ) TOOK VERY CAREFUL NOTES (WHICH SHE READ BACK TO US) AND STATED THAT THIS WAS NOT THE PROPOSAL WHICH THE FRENCH AUTHORITIES UNDERSTOOD WHEN THEY WERE PREPARING THE JUNE 21 RESPONSE. SHE ADMITTED THAT, IN THE DELIBERATIONS OF THE FRENCH OFFICIALS OVER THE LAST FEW DAYS, THERE WERE ASPECTS OF OUR PROPOSAL THAT WERE NOT FULLY CLEAR (SUCH AS, WHY

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C O R R E C T E D C O P Y FOR ADDED ADDEE

WE WERE PROPOSING THE JULY 8 DATE, AND HOW AN ALLEGED "ATWOOD SUGGESTION" OF A SIX-MONTH PERIOD FOR THE ARBITRATION PROCESS (REPORTED BY CHENU) FITTED INTO THE REST OF THE US PROPOSAL). CLAUDE LAFONTAINE WAS VERY GRATEFUL FOR OUR REVIEW OF THE DETAILS, ALTHOUGH SHE COULD NOT REACT IMMEDIATELY TO THEM. HOWEVER, SHE PROMISED TO CONSULT HER COLLEAGUES AND BE BACK TO US PROMPTLY.

6. IN THE MEANTIME, CLAUDE-LAFONTAINE AND SELZ WANTED TO BE SURE THEY UNDERSTOOD THE FULL BASIS OF THE U.S. CALCULATION OF DATES WHICH WERVE AS RATIONALE FOR JULY 8 COMMENCEMENT. FROM THIS THE FOLLOWING OBSERVATIONS EMERGED:

A. IN THEIR VIEW PANAM HAS BEEN DENIED OPERATING RIGHTS ONLY SINCE MAY 3 AND NOT FROM MAY 1. (WE GRUDGINGLY AGREED THAT FLIGHTS OPERATED ON MAY 1 AND 2, BUT SUGGESTED THE ADMINISTRATIVE HARRASSMENT AT ORLY SHOULD BE KEPT IN MIND).

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B. THE THREE MONTHS FOR THE COMPLETION OF THE ARBITRATION PROCESS INVOLVES 13 WEEKS RATHER THAN TWELVE, AND THUS SPLITTING THE DIFFERENCE WOULD INVOLVE 9 1/2 WEEKS RATHER THAN NINE FOR BOTH THE PERMISSION AND THE DENIAL.

C. COUNTING THE THREE MONTHS FROM JUNE 16 WOULD  
REQUIRE COMPLETION OF THE ARBITRATION BY SEPTEMBER 15.

7. WE OBSERVED THAT ON THE BASIS OF THIS ARITHMETIC THE  
MAGIC DAY FOR PANAM TO RESUME WOULD STILL BE JULY 8 AND  
WE CAUTIONED ON THE NEED FOR THE PERMISSION TO BE  
CLEARLY GRANTED IN SUFFICIENT TIME FOR THE CAB TO ACT  
BEFORE THE JULY 12 EFFECTIVE DATE OF THE PART 213 ORDER  
AGAINST AIR FRANCE.

8. COMMENT: IT IS DIFFICULT TO SEE HOW THE FRENCH COULD  
SO HAVE MISUNDERSTOOD THE U.S. PROPOSAL EVEN THOUGH  
CLAUDE-LAFONTAINE SEEMED SINCERE WHEN SHE REACTED AS  
DESCRIBED ABOVE. IT WILL BE RECALLED THAT THE JUNE 16  
PRESENTATION WAS MADE TO DESEDOUY AS CLAUDE-LAFONTAINE  
WAS OUT OF THE COUNTRY. ON JUNE 22 THE ROLES WERE RE-  
VERSED AS DESEDOUY WAS AWAY. HOWEVER, ON JUNE 16 DE-  
SEDOUY TOOK CAREFUL NOTE OF MINECON'S ORIGINAL PRESENTA-  
TION, ASKED SEVERAL CLARIFYING QUESTIONS, AND PROMPTED  
MINECON TO GO THROUGH THE PROPOSAL THE SECOND TIME. DE-  
SEDOUY UNDERTOOK TO CALL BACK MINECON IF THERE WAS ANY  
DISCREPANCY BETWEEN WHAT HAD BEEN SAID IN PARIS AND THE  
REPORT HE RECEIVED OF WHAT WAS CONVEYED IN WASHINGTON THE  
SAME DAY. DESEDOUY DID IN FACT CALL BACK AND CONFIRMED  
THAT THE PROPOSAL WAS MADE IN EACH CAPITOL WAS THE SAME  
WITH ONE EXCEPTION: WHATEVER THE REASON FOR CONFUSING--  
ACCIDENTAL OR WILLFUL--THE IMPORTANT THING IS TO GET  
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THE MATTER RESOLVED PROMPTLY SO THE LAWYERS CAN PRO-  
CEED. WE WILL TELEPHONE AND/OR WIRE IMMEDIATE AS SOON  
AS WE HEAR FROM CLAUDE-LAFONTAINE.

9. RECOMMENDATION: TO GUARD AGAINST FURTHER MISUNDER-  
STANDING AS WE MOVE HOPEFULLY IN THE DIRECTION OF BRING-  
ING THIS PROBLEM UNDER CONTROL, WE BELIEVE ANY FUTURE  
PROPOSALS OR MAJOR COMMENTS TO THE FRENCH SHOULD BE IN  
WRITING--PREFERABLY IN THE FORMS OF AIDES MEMOIRES OR  
DIPLOMATIC NOTES.  
HARTMAN

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## Message Attributes

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